

FOURTH AMENDMENT TO LEASE

THIS FOURTH AMENDMENT TO LEASE (this "Amendment") is entered into this 7th day of July, 2003, by and among THE CITY OF KINGMAN, ARIZONA, a municipal corporation and political subdivision of the State of Arizona ("Lessor"); and, KINGMAN AIRPORT AUTHORITY, INC., an Arizona non-profit corporation ("Lessee").

Recitals

A. Lessee leases the Kingman Airport (the "Leased Premises") from Lessor pursuant to a certain Third Amendment and Restatement of Lease Agreement dated January 20, 1992 (the "Restated Lease") between Lessor and Lessee's predecessor in interest, Mohave County Airport Authority, Inc. ("MCAA").

B. On or about June 18, 1992, MCAA and Lessee entered into a certain Assignment Agreement, pursuant to which MCAA assigned to Lessee all of MCAA's interests in the Leased Premises as lessee under the Restated Lease, along with assets related thereto.

C. The Restated Lease expires by its terms on January 19, 2017 and Lessor and Lessee desire to modify and extend term of the Restated Lease pursuant to the terms set forth herein.

Agreements

For and in consideration of the conditions and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee agree as follows:

1. Recitals. The foregoing Recitals are hereby incorporated as Agreements herein.

2. Modification of Restated Lease. Effective upon execution of this Amendment by the parties, the Restated Lease is modified as follows:

a. Extension of Term. The initial term of the Restated Lease as provided in Paragraph 2 thereof is hereby extended from January 19, 2017 to and including July 7, 2028 (the "Extended Term"), subject to the right of renewal as hereinafter set forth. All terms and conditions of the Restated Lease shall remain in full force and effect during the Extended Term.

b. Renewal Term. Paragraph 3. of the Restated Lease is hereby amended to read as follows:

At the expiration of the Extended Term, this Restated Lease shall automatically be renewed for one (1) additional twenty five (25) year term (the "Renewal Term"), which shall begin on July 8, 2028 and expire on July 7, 2053, unless Lessee, at its sole option and election, submits written notice to Lessor of Lessee's intent not to renew the Restated Lease no later than thirty (30) days prior to the expiration of the Extended Term. In the event Lessee submits written notice to Lessor of Lessee's intent not to renew this Restated Lease in said time and manner, then this Restated Lease shall terminate at the expiration of the Extended Term. All terms and conditions of this Restated Lease shall remain in full force and effect during the Renewal Term.

3. Continued Effect of Restated Lease. Except as specifically modified by this Amendment, all of the terms and conditions of the Restated Lease shall remain in full force and effect.

4. Miscellaneous. The Restated Lease, as modified hereby, contains the entire agreement between Lessor and Lessee and supersedes any prior negotiations, discussions or understandings.

DATED this 8TH day of July, 2003.

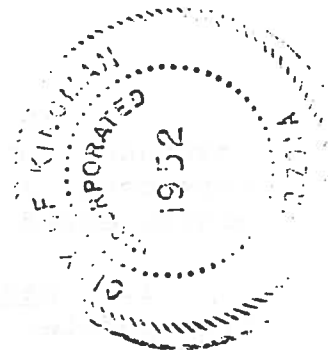
Lessor:

The City of Kingman, Arizona
an Arizona municipal corporation

By: Lester Byram

Lester Byram, Mayor

Attest: Charlene Ware, City Clerk



Lessee:

Kingman Airport Authority, Inc.,
an Arizona non-profit corporation

By: Robert L. Feagins

Robert L. Feagins, President

STATE OF ARIZONA)
) ss.
COUNTY OF MOHAVE)

The foregoing Fourth Amendment to Lease was acknowledged before me, the undersigned notary public, this 8th day of July, 2003, by Lester Byram as Mayor of The City of Kingman, Arizona, a municipal corporation and political subdivision of the State of Arizona, on behalf thereof.

Toni K. Weddle
Notary Public

My Commission Expires: March 31, 2007



STATE OF ARIZONA)
) ss.
COUNTY OF MOHAVE)

The foregoing Fourth Amendment to Lease was acknowledged before me, the undersigned notary public, this _____ day of _____, 2003, by Robert L. Feagins, as President of Kingman Airport Authority, Inc., an Arizona non-profit corporation, on behalf thereof.

My Commission Expires:

Notary Public

*"To promote the airfield and industrial park with
fiscally responsible management and provide a
diverse economic base for the Greater Kingman Area"*

July 1, 2003

The Honorable Les Byram, Mayor
City of Kingman
310 N. 4th Street
Kingman, AZ 86401



Re: Amendment to Master Lease between City of Kingman and Kingman Airport Authority

Dear Mayor Byram:

For Council's review and consideration, enclosed please find the Fourth Amendment to Lease between the City of Kingman and Kingman Airport Authority, Inc. This amendment changes the initial term of the lease from its expiration of January 19, 2017 to July 7, 2028 with an automatic 25 year renewal option.

The Airport Authority is requesting this amendment in an effort to generate new and expanded leasehold interests at the Kingman Airport & Industrial Park. Longer term leases allow tenants to secure better financing and, in turn reinvest into the airport improvements. Expanded leases for the Authority generate a more consistent revenue stream and enhance the Authority's ability to maintain operations and provide services.

Kingman Airport Authority, Inc. respectfully requests the City Council approve the Fourth Amendment to its master lease at its scheduled meeting on July 7, 2003 and authorize you, as the Mayor, to execute the document.

Your consideration in this request is appreciated. Bob Riley and I will be in attendance at the meeting, however, should you have questions prior to, please do not hesitate to contact either one of us at 757-2134.

Sincerely,

Brenda Chastain
Director, Corporate Administration

jp

Enclosure

cc: Council Members
City Manager
City Attorney
City Clerk